

APPENDIX M
TECHNICAL REPORT ON
INITIAL SITE RESTORATION PLAN
BP CHERRY POINT COGENERATION PROJECT

Prepared for:
BP West Coast Products, LLC

Submitted by:
Golder Associates Inc.

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1. INTRODUCTION

The Cogeneration Project would be located in Whatcom County, Washington, approximately 2 miles east of Cherry Point along the Strait of Georgia, adjacent to the BP Cherry Point Refinery (the Refinery). The proposed facility would be located entirely on BP-owned property. The Refinery and surrounding properties owned by BP are zoned Heavy Impact Industrial and Light Industrial and are contained within the Cherry Point Major Industrial Urban Grown Area/Port Industrial Zone of the Whatcom County Comprehensive Plan issued May 20, 1997. .

A 230 kV BPA transmission line, which would be used to export power from the Cogeneration Project runs in a north-south direction 0.8 miles east of the Project site. The connecting transmission line would be located entirely on land zoned Heavy Impact Industrial on BP owned property.

The Cogeneration Project presents very different site restoration issues than most EFSEC projects. In most instances, EFSEC has considered stand-alone energy generation facilities being proposed by special purpose corporations with limited assets. EFSEC has, therefore, asked applicants and certificate holders to provide for site restoration in the event that the limited purpose corporation went bankrupt and the facility needed to be demolished and site restored. The Cogeneration Project is fundamentally different. BP West Coast Products, LLC (BP), the owner of the BP Cherry Point Refinery proposes to construct and operate the Cogeneration Project as an integrated extension of its Cherry Point operations. The Cogeneration Project site is on BP-owned property adjacent to the Refinery. The Refinery has operated at Cherry Point for more than 30 years and long-term plans are to continue the use of the Cogeneration Project site for power generation, refining, or other industrial purposes consistent with Whatcom County's Heavy Impact Industrial Zone.

This Initial Restoration Plan has been prepared in compliance with the requirements of Washington Administrative Code (WAC) 463-42-655 and WAC 463-42-675 and is organized as follows:

- Assumptions;
- Preparation of Final Restoration Plan
- Hazardous Material Survey;
- Demolition and Salvage; and
- Restoration.

2. ASSUMPTIONS

The assumed useful economic life of the project is 30 years, but this could be longer if the economics and efficiency of the Cogeneration Project remain satisfactory. The following assumptions are made in the preparation of this Initial Site Restoration Plan:

- Any future use of the project site will be consistent with uses permitted in the Whatcom County Comprehensive Plan or successor document in effect at the time.
- Demolition and removal of equipment and facilities would occur at BP's discretion, but would be subject to the requirements of applicable law.

3. PREPARATION OF THE FINAL RESTORATION PLAN

Near the end of the useful life of the Cogeneration Project, The Initial Site Restoration Plan will be reviewed and modified as required to comply with applicable regulations in force at that time.

Should the Cogeneration Project be suspended or terminated during the construction phase, BP would prepare and submit a Restoration Plan to EFSEC for approval. The Restoration Plan will include:

- Methods for securing the project site for a specific time period from unauthorized entry complete with appropriate fencing and signage.
- Proposed methods for restoration of the project site, including disposition of interconnections to the existing water line, natural gas line, and transmission line, if applicable. Some or all of the transmission line may be owned by BPA per the terms of the interconnection agreement.

4. HAZARDOUS MATERIALS SURVEY

An audit will be performed of relevant material safety data sheets (MSDS) or equivalent records and a site survey will be performed to determine whether hazardous materials are present on the Project site. A record will be made of the location, quantity, and proposed disposition of all such hazardous materials.

Any solid waste generated during the facility shutdown or decommissioning will be disposed of, as necessary, to comply with the solid waste regulations then in place. If such materials are deemed toxic or hazardous, a Remedial Investigation Feasibility Study will be developed and implemented in accordance with applicable regulations.

5. DEMOLITION AND SALVAGE

The steam turbine-generators, combustion gas-turbine generators, transformers, and heat recovery steam generators are potential candidates for reconditioning and sale in the used equipment market. Some project components contain large amounts of nickel and copper alloys that have been valued as salvage equal to or exceeding the cost of demolition. The sale of salvage materials would help finance the cost of demolition and restoration activities, but these activities would be carried out at BP's discretion and in accordance with applicable law.

6. RESTORATION FUNDING

BP West Coast Products, LLC proposes to finance Cogeneration Project demolition efforts using its own funds in addition to those funds obtained from salvage of project equipment. BP West Coast Products, LLC is a wholly owned subsidiary of BP America and shares its parent's S&P AAA credit rating. BP America employs 43,000 people in the United States and is the leading marketer of clean gasoline and distillate in North America.

BP understands that EFSEC has in the past requested that applicants or certificate holders provide corporate guarantees or letters of credit to cover anticipated site restoration expenses. In those cases, however, the applicants or certificate holders were special purpose corporations with no assets other than the proposed energy facility. EFSEC, therefore, accepted corporate guarantees from their larger parent corporations to ensure that sufficient assets would be available to cover restoration expenses. Also, in those cases, the permitted facilities were stand-alone power plants. In contrast, BP West Coast Products has tremendous assets, including the BP Cherry Point Refinery – an industrial facility much larger than the proposed Cogeneration Project. Furthermore, the Cogeneration Project will be built on BP property adjacent to and integrated with the Refinery.

7. RESTORATION

If facility removal occurs following plant decommissioning, the Cogeneration Project site will be maintained and secured, and made available for further industrial use.

Site restoration activities may include:

- Removal of all non-salvageable materials, and disposed of at an approved disposal site;
- Refilling of project site drainage collection ponds, if required; and
- Grading the project site.

The following facilities are among those which may be left in place for other potential projects or activities that may be undertaken by BP in the future as part of its routine operations at the Cherry Point Refinery:

- Electrical substation,
- Driveways, parking areas and roadways, and
- Utility infrastructure up to the project site, including makeup supply water, natural gas, and electrical connections.

8. LAWS, ORDINANCES, REGULATIONS AND STANDARDS

BP and its contractors will comply with all applicable local, state, and federal safety, health and environmental laws, ordinances, regulations and standards. Table 1 presents the laws and regulations applicable to the decommissioning of the Cogeneration Project. A summary list of pertinent laws and regulations is also included in Section 2.4 Pertinent Federal, State, and Local Requirements.

Table 1
Laws & Regulations Applicable to Site Restoration

Law & Regulations	Applicability	Conformance Section
Federal Standards		
None Referenced		
State Standards		
Chapter 173-340 WAC	State Department of Ecology Regulations on Model Toxics Control Act – cleanup which imposes reporting requirements for businesses, which store, handle, or produces significant quantities of extremely hazardous materials.	Section 6 of this appendix.
Local Standards		
Whatcom County Comprehensive Plan	Cherry Point Major Industrial Urban Growth Area/ Port Industrial Zone throughout the duration of the Cogeneration Project.	Sections 1 and 2 of this appendix.

9. REFERENCES

Code of Federal Regulations. Title 29, Part 1910. Construction Safety Orders.

National Safety Council. 1992. Accident Prevention Manual. Volume 2, Chapter 6, Fire Protection.

Title 29, Part 1926. General Industry Safety Orders.

Washington Administrative Code (WAC) 463-42-655

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